



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

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Director

INFORMATIONAL LETTER NO.1200

DATE: December 28, 2012

TO: Iowa Medicaid Case Managers, Service Workers and Supervisors,
Service Area Administrators, Home and Community Based Service
(HCBS) Waiver Providers and County Central Point of Coordination
Administrators

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Home and Community Based Service (HCBS) Waiver Provider Two
Percent Rate Increase

EFFECTIVE: January 1, 2013

The 2012 Iowa Senate File 2336 implemented a two percent rate increase for HCBS Waiver service providers. As a result the Department of Human Services (DHS) enacted rule changes increasing the HCBS Waiver upper rate limits in 441 Iowa Administrative Code (IAC) Chapter 79 and HCBS Waiver monthly cap for the total monthly cost of services in 441 IAC Chapter 83. Please note that the legislation does not apply to HCBS Habilitation services.

The following changes have been made to the limits on the monthly cost of services effective January 1, 2013.

Level of Care	Psychiatric Medical Institution for Children (PMIC)	Nursing Facility (NF)	Skilled Nursing Facility (SNF)	Intermediate Care Facility for Persons with Intellectual Disabilities (ICF/ID)
AIDS/HIV	N/A	\$1,786.00	\$1,786.00	N/A
Health and Disability Waiver	N/A	\$922.00	\$2,648.00	\$3,267.00
Elderly Waiver	N/A	\$1,300.00	\$2,684.00	N/A
Brain Injury Waiver	N/A	\$2,868.00	\$2,868.00	\$2,868.00
Physical Disability Waiver	N/A	\$672.00	\$672.00	\$672.00
Children's Mental Health Waiver	\$1,910.00	N/A	N/A	N/A

Rates that are cost based or Fee Schedule with provisions for a county negotiated contracted rate, or Veterans Administration (VA) rate

- Rates will not be automatically increased by the IME.
- The service provider must contact the county they contract with to negotiate a new rate. If a new rate is negotiated the provider must then contact the member's Case Manager/ Service Worker (CM/SW) and communicate the new rate for services.

- The Case Manager / Service Worker will then enter the new rate into the member's service plan in the Individualized Services Information System (ISIS) up to the rate cap.
- A Notice of Decision (NOD) issuance is not necessary; the Case Manager / Service Worker and the service provider may place a copy of this Informational Letter in the member's file to support the two percent increase over those rates approved in the service plan on or before June 30, 2012. If a provider wishes to receive a new NOD from the CM/SW they may request one from the CM/SW.

Rates that are Fee Based and do not have a provision for a county contracted rate or Veterans Administration (VA) rate

- Rates will be automatically increased by the IME during the month of December 2012 for a January 1, 2013, start date.
- A Notice of Decision (NOD) issuance is not necessary; the member's Case Manager and service provider may place a copy of this Informational Letter in the member's file to support the two percent increase over those rates approved in the service plan on or before June 30, 2012. If a provider wishes to receive a new NOD from the CM/SW they may request one from the CM/SW.

Exception to Policy (ETP) Approved Rates

- ETP approved rates that are cost based or fee schedule with provisions for a county contracted rate, or Veterans Administration (VA) rate require that the provider contact the Case Manager to request the rate increase.
- ETP approved rates that are Fee Based and do not have a provision for a county contracted or Veterans Administration (VA) rate will be automatically increased by the IME.
- An ETP reconsideration request is not necessary and a Notice of Decision (NOD) issuance is not necessary. The member's Case Manager and service provider may place a copy of this Informational Letter in the member's file to support the two percent increase over those rates approved in the service plan on or before June 30, 2012.
- Please note that this authorization to increase exception to policy rates only applies to those rates in place and approved on or before June 30, 2012, and should not be interpretably more broadly.

The IME is aware that there are individual situations that do not fall into one of the categories mentioned above. Providers, Case Managers, Service Workers, and IME staff will need to coordinate efforts to address these situations as they arise.

Implementation Details:

The following table depicts the upper rate limits and service caps effective January 1, 2013, after the two percent rate increase is applied. The table also indicates whether the IME will automatically update the rate in the member's ISIS service plan or if the provider will need to contact the CM/SW and indicate their rate with the two percent increase included so that the CM/SW can enter it in the ISIS service plan.

Service	Reimbursement Methodology	Rate Caps/ Service Limits Effective 01/01/2013	2% rate increase completed by
Adult Day Care (Hourly) Adult Day Care-Full Day Adult Day Care-Half Day Adult Day Care Extended Day	Fee Schedule	For AIDS/HIV, brain injury, elderly, and health and disability waivers effective 1/1/13: Provider's rate in effect 06/30/12 plus 2%. If no 06/30/12 rate: Veterans Administration contract rate or \$22.56 per half-day, \$44.91 per full day, or \$67.35 per extended day if no Veterans Administration contract. For intellectual disability waiver: County contract rate or, effective 1/1/13 in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate, \$30.06 per half-day, \$60.00 per full day, or \$76.50 per extended	CM/SW will enter the 2% rate increase as applicable
Assistive Devices	Fee Schedule	Effective 1/1/13: \$112.25 per unit.	No service plan changes needed
Behavior Programming	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$11.01 per 15 minutes.	IME will increase the rate in place by 2%
Case Management MFP	Fee Schedule with cost settlement	Provider's final cost settled rate plus 2%	CM/SW will enter 2% rate increase as applicable
Case Management	Fee Schedule with cost settlement.	Provider's final cost settled rate plus 2% For brain injury waiver: Retrospective cost-settled rate. For elderly waiver: Quarterly revision of reimbursement rate as necessary to maintain projected expenditures within the amounts budgeted under the appropriations made for the medical assistance program for the fiscal year.	CM/SW will enter 2% rate increase as applicable
CDAC-Agency (Hourly)	Fee agreed upon by member and provider	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$20.60 per hour not to exceed \$119.05 per day.	CM/SW will enter 2% rate increase as applicable
CDAC-Agency (Daily)	Fee agreed upon by member and provider	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$20.60 per hour not to exceed \$119.05 per day	CM/SW will enter 2% rate increase as applicable
CDAC-Individual (Hourly)	Fee agreed upon by member and provider	Effective 1/1/13, \$13.74 per hour not to exceed \$80.13 per day.	CM/SW will enter 2% rate increase as applicable
CDAC-Individual (Daily)	Fee agreed upon by member and provider	Effective 1/1/13, \$13.74 per hour not to exceed \$80.13 per day.	CM/SW will enter 2% rate increase as applicable
CDAC-Assisted Living	Fee agreed upon by member and provider	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$1,139.34 per calendar month. When prorated per day for a partial month, \$37.44 per day	CM/SW will enter 2% rate increase as applicable
Chore	Fee Schedule	Provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$7.86 per half hour.	IME will increase the rate in place

			by 2%
Consumer Choice Option (CCO)	Rate negotiated by member	Determined by member's individual budget.	No changes are required. This rate is negotiated between the member and provider.
Counseling-Individual	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$11.01 per unit	IME will increase the rate in place by 2%
Counseling-Group	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$44.00 per hour.	IME will increase the rate in place by 2%
Day Habilitation (Extended Day)	Fee Schedule	Effective 1/1/13: County contract rate or, in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.47 per hour, \$32.79 per half-day, or \$65.58 per day.	CM/SW will enter 2% rate increase as applicable
Day Habilitation(per day)			
Day Habilitation(1/2 day)			
Day Habilitation(Hourly)			
Environmental Modifications	Fee Schedule	Effective 1/1/13, \$6,181.20 per year.	No service plan changes needed
Family Counseling and Training	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$44.00 per hour.	IME will increase the rate in place by 2%
Family and Community Supports	Retrospectively limited prospective rates	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$35.68 per hour.	CM/SW will enter 2% rate increase as applicable
Homemaker	Fee Schedule	Provider's rate in effect 6/30/12 plus 2% If no rate \$20.21	IME will increase the rate in place by 2%
Home and Vehicle Modification	Fee Schedule	EW \$1,030.20 lifetime ID \$5,151 lifetime BI, PD, I/H \$6,181.20 annually	No service plan changes needed
Home Health Aide, per hour	Retrospective cost-related	Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2% ID Waiver: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly rate.	CM/SW will enter 2% rate increase as applicable
In Home Family Therapy	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$95.50 per hour.	IME will increase the rate in place by 2%
Interim Medical Monitoring & Treatment - SCL	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$35.68 per hour, not to exceed the maximum ICF/ID rate per day	CM/SW will enter 2% rate increase as applicable
Interim Medical Monitoring & Treatment-HHA	Cost-based rate for home health aide services provided by a	Effective 1/1/13: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly	CM/SW will enter 2% rate increase as applicable

	home health agency	rate.	
Interim Medical Monitoring & Treatment-Nurse	Cost-based rate for nursing services provided by a home health agency	Effective 1/1/13: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly rate	CM/SW will enter 2% rate increase as applicable
Interim Medical Monitoring & Treatment-Registered/Licensed Child Care	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour.	IME will increase the rate in place by 2%
Mental Health Outreach	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: On-site Medicaid reimbursement rate for center or provider.	IME will increase the rate in place
Morning Meal	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$7.86 per meal.	IME will increase the rate in place
Noon Meal	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$7.86 per meal	IME will increase the rate in place
Evening Meal	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$7.86 per meal	IME will increase the rate in place
Liquid Supplement Meal	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$7.86 per meal	IME will increase the rate in place
Nutritional Counseling	Fee Schedule	Effective 1/1/13 for non-county contract: Provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$8.42 per unit.	CM/SW will enter 2% rate increase as applicable
Nursing Care Service - RN, Per Hour	Fee Schedule - Medicare	<p>For elderly waiver effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$84.58 per visit.</p> <p>For ID waiver effective 1/1/13: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly rate.</p> <p>For AIDS/HIV and health and disability waivers effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$84.58 per visit.</p> <p>Same as above</p>	No change
Nursing Care Service - LPN, Per Hour			
Personal Emergency Response - Ongoing	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: Initial one-time fee: \$50.52. Ongoing monthly fee: \$39.29	IME will increase the rate in place
Personal Emergency Response-Initial	Fee Schedule		
Portable locator system	Fee Schedule		
Pre-Vocational	Fee Schedule	County contract rate or, in absence of a	CM/SW will enter

Services (Hourly)		contract rate, effective 1/1/13, provider's rate in effect 6/30/12 plus 2%: \$49.18 per day, \$24.59 per half-day, or \$13.47 per hour.	2% rate increase as applicable
Pre-Vocational Services (Half Day)	Fee Schedule		
Pre-Vocational Services (Full Day)	Fee Schedule		
Respite	Cost based or Fee Schedule	ID Waiver Annual limit: \$7,191.00	No service plan changes needed,
Respite-HHA specialized	Cost-based rate for nursing services provided by a home health agency	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly rate, not to exceed \$296.94 per day\$124.43	CM/SW will enter 2% rate increase as applicable
Respite-HHA basic individual	Cost-based rate for nursing services provided by a home health agency	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: Lesser of maximum Medicare rate in effect 11/30/09 plus 2% or maximum Medicaid rate in effect 6/30/12 plus 2%, converted to an hourly rate, not to exceed \$296.94 per day	CM/SW will enter 2% rate increase as applicable
Respite-HHA group	Cost-based rate for nursing services provided by a home health agency	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day	CM/SW will enter 2% rate increase as applicable
Respite-Home Care Agcy & Non-Facility, Specialized	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$34.43 per hour not to exceed \$296.94 per day	CM/SW will enter 2% rate increase as applicable
Respite-Home Care Agcy & Non-Facility, Basic Individual	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$18.37 per hour not to exceed \$296.94 per day	CM/SW will enter 2% rate increase as applicable
Respite- Home Care Agcy & Non-Facility, Group	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day	CM/SW will enter 2% rate increase as applicable
Respite Specialized Non-facility	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$34.43 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Respite-hospital or nursing facility/skilled	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed the facility's daily Medicaid rate for skilled nursing level of care.	IME will increase the rate in place
Respite-nursing facility	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed the facility's daily Medicaid rate	IME will increase the rate in place
Respite-ICF/MR	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed the facility's daily Medicaid rate.	IME will increase the rate in place
Respite-foster group	Fee	Effective 1/1/13, provider's rate in effect	IME will increase

care		6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed daily rate for child welfare services.	the rate in place
Respite-camps	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Respite- adult day care	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed rate for regular adult day care services.	IME will increase the rate in place
Respite – Child Care Center	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed contractual daily rate.	IME will increase the rate in place
Respite-RCF/MR	Fee	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed contractual daily rate.	IME will increase the rate in place
Respite Resident Camp - Weeklong overnight recreational respite	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Group Summer Day Camp - Group recreational respite camp	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Group Specialized Summer Day Camp - Group Recreational respite camp for individuals requiring additional support	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Teen Day Camp - Day Camp providing recreational activities for teens age 13 to 21 years old	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Weekend On-site Respite - Camp based recreational overnight respite	Retrospectively limited prospective rate	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$13.38 per hour not to exceed \$296.94 per day.	CM/SW will enter 2% rate increase as applicable
Specialized Medical Equipment	Fee Schedule.	Effective 1/1/13, \$6,181.20 per year.	No service plan changes needed
Supported Community Living (Daily)	Retrospectively limited prospective rates	Effective 1/1/13: \$35.68 per hour, not to exceed the maximum daily ICF/ID rate plus 2%.	CM/SW will enter 2% rate increase as applicable
Supported Community Living (Hourly)	Retrospectively limited prospective rates	Effective 1/1/13: \$35.68 per hour, not to exceed the maximum daily ICF/ID rate plus 2%.	CM/SW will enter 2% rate increase as applicable

Supported Community Living (Residential Based)	Retrospectively limited prospective rates	Effective 1/1/13: \$35.68 per hour, not to exceed the maximum daily ICF/ID rate plus 2%.	CM/SW will enter 2% rate increase as applicable
Transportation	Fee	Effective 1/1/13: County contract rate or, in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%.	CM/SW will enter 2% rate increase as applicable
Transportation Trip	Fee	Effective 1/1/13: County contract rate or, in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%.	CM/SW will enter 2% rate increase as applicable
Transportation RTA	Fee	\$.29	CM/SW will enter 2% rate increase as applicable
Senior Companion		Effective 1/1/13 for non-county contract: Provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$6.72 per hour.	CM/SW will enter 2% rate increase as applicable
Supported Employment, maintain employment/job coaching	Retrospectively limited prospective rates	Effective 1/1/13: \$35.68 per hour for all activities other than personal care and services in an enclave setting. \$20.21 per hour for personal care. \$6.31 per hour for services in an enclave setting. \$2,941.38 per month for total service. Maximum of 40 units per week.	CM/SW will enter 2% rate increase as applicable
Supported Employment Maintain employment/ personal care	Retrospectively limited prospective rates		
Supported Employment Maintain employment/ enclave	Retrospectively limited prospective rates		
Supported Employment Job Development	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$927.18 per unit (job placement).	IME will increase the rate in place
Supported Employment Employer Development	Fee Schedule	Effective 1/1/13, provider's rate in effect 6/30/12 plus 2%. If no 6/30/12 rate: \$927.18 per unit (job placement).	IME will increase the rate in place
Supported Employment Enhanced Job Search	Retrospectively limited prospective rates	Effective 1/1/13: \$35.68 per hour. Maximum of 26 hours per 12 months.	CM/SW will enter 2% rate increase as applicable

Provider questions should be addressed to the IME Provider Services Unit at 1-800-338-7909 or locally in Des Moines at 515-256-4609 or email at: imeproviderservices@dhs.state.ia.us.

Case Manager/ Service Worker questions should be addressed to the Program Manager:
 AIDS/HIV, H&D Waivers: Sue Stairs at: sstairs@dhs.state.ia.us
 Elderly Waiver: Le Howland at: lhowlan@dhs.state.ia.us
 BI Waiver: LeAnn Moskowitz at: lmoskow@dhs.state.ia.us
 ID Waiver: Brian Wines at: bwines@dhs.state.ia.us